(c) whether initially the director (finance) had objected to this deal;

(d) whether offers of other parties/ bidders were not even opened;

(e) whether the Board of Directors of the company had no competence to approve the purchase worth Rupees 5.5 crores for this equipment; if so, the details of tender committee; and

(f) what further action is being contemplated;

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) The National Mineral Development Corporation Limited (NMDC) has reported that it has placed orders for procurement of a 5.5 cubic meter Hydraulic Excavator for Bailadila Deposit No. 14 after following the proper purchase procedures of the company. The offer of Bharat Earth Movers Limited (BEML) was not found technically suitable and hence it was not considered by the company.

(b) As per the approved purchase procedure of the company, in case of high value items, offers are called in a two-part bid system, part-I containing technical and commerical details and Part-II containing the price bid. The technical and commerical bids are opened first and evaluated. Negotiations, if required, are held only with the technically accepted tenderers.

(c) No, Sir.

(d) In a two-part bid tender system, the price bid is opened only if Part-I of the bid containing technical and commerical conditions is found acceptable in terms of tender requirements. Since the offers of the other bidders were not found technically suitable, their bids were not opened by NMDC.

(e) The Board of Directors of the company have been delegated powers, subject to observance of certain conditions, to incur expenditure on (i) additions, modifications and new investments upto Rs. 50 crores and (ii) on replacement & renewal of assets upto Rs. 100 crores. The Tender Committee in the instant case comprised (i) General Manager (material), (ii) General Manager (Finance), (iii) Deputy General Manager (Production), (iv) Deputy General Manager (Electricals) and a representative from Bailadial Deposit 14.

(f) No action appears necessary in view of the position indicated above.

Installed Capacity and Production of Steel

3356. SHRI VIRENDRA KATARIA: Will the Minister of STEEL be pleased to state:

(a) what is the gap between the installed capacity and actual production of steel plants in the country during the year 1992-93 and 1993-94;

(b) what are the reasons for the shortfall;

(c) whether Government propose to achieve the targets fixed for the current financial year; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) and (b) The installed capacity and actual production of saleable steel during 1992- 93 and 1993-94 was as under :—

(Unit: in thousand tonnes)

1992-93			1993-94		
Capacity	Production	Gap	Capacity	Production	Gap
A. *MAIN PRODUCERS* (INTEGRATED STEEL PLANTS) STEEL AUTHORITY OF INDIA LTD.(SAIL)					
8823	8335	488	8823	8645	178
VISAKHAPATNAM STEEL PLANT (VSP)					
15555	879	676	2130$	1184	946

	1992-93			1993-94		
	Capacity	Production	Gap	Capacity	Production	
GapTATA IRON & STEEL COMPANY (TISCO)	2174	2124	50	2400	2154	246
TOTAL:	12552	11338	1214	13353	11983	1370
B. *OTHER PLANTS UNDER SAIL*	286	235	51	280	223	57
C. *SECONDARY PRODUCERS*	7684	4176	3508	8362	3699	4663

$Annual Plan VSP — Plant not fully operational

Shortfall in production of Main Producers is mainly due to the fact that Visakhapatnam Steel Plant (VSP) is still in the process of stabilisation. Delay in commissioning of blast furnace No. 2 at Durgapur Steel Plant of SAIL and poor quality of indigenous coking coal has also contributed to less production by main Producers. Shortfall in production of Secondary Producers was primarily due to demand recession and high cost of scrap and other inputs.

(c) and (d) Targets of Public sector steel plants for production of saleable steel during 1994-95 are as under :—

(In thousand tonnes)

SAIL (5 Integrated Steel Plants) : 8687

VSP : 1755

The plants are expected to achieve their production targets.

Reference by Board of Directors of Tata Iron and Steel Company Limited to BIFR

3357. MISS SAROJ KHAPARDE: Will the Minister of STEEL be pleased to state:

(a) whether the Board of directors of Tata Iron and Steel Company Limited have recently made a reference to the Board for Industrial and Financial Reconstruction (BIFR): and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) No, Sir.

(b) Does not arise.

Modernisation of Projects

3358. SHRI CHIMANBHAI HARIBHAI SHUKLA: Will the Minister of STEEL be pleased to state:

(a) the present status of modernisation of the projects underway in various Public Sector Undertakings in the Steel Sector;

(b) whether Government propose to involve private companies or multinationals in the modernisation and expansion work; and

(c) the total expenditure to be incurred in modernising all the steel plants'.'

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) The present statu-- of modernisation projects underway at the Durgapur, Rourkela and Bokaro Steel Plants of Steel Authority of India Limited (SAIL) is as follows:

Durgapur Steel Plant (DSP) Modernisation

The modernisation is being executed through 16 turnkey packages. 6 packages have been fully completed. *S* packages have been partly completed and the work on the remaining packages is in progress. The modernisation project is expected to be completed with the commissioning of Blast Furnace-4 by June, 1995.

Rourkela Steel Plant (RSP) Modernisation

The modernisation is being executed in two phases i.e. Phase-I (9 indigenous turnkey packages) and Phase-II (15 indigenous turnkey and 5 global turnkey packages). Work for major production facilities for Phase-I has been already completed. The work HI Phase-II